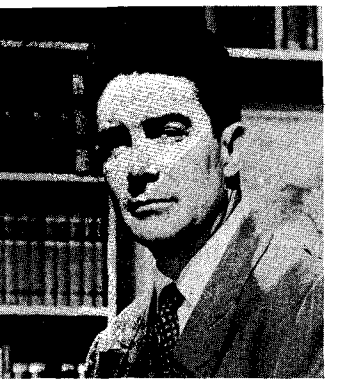
THE
Dan Smoot Report

Vol. 12, No. 30 (Broadcast 570) July 25, 1966 Dallas, Texas



DAN SMOOT

MEDICARE OR POLITICARE?

By compromise and moderation, we are descending into the horror of socialized medicine.

Before the federal government started spending tax money to provide medical benefits for the people, the United States had the finest medical services and facilities in the history of civilization: more and better hospitals than any other nation; more competent doctors and trained nurses; more research and development in medicine and medically-related sciences and in the technology of producing medical equipment. The poor who needed care could get it — in hospitals supported by private charities and local governments, from physicians who donated their services.

In the past 33 years, the federal government has spent billions of dollars to provide medical benefits—subsidizing hospitals, medical schools and medical research; giving direct medical aid through social security to certain individuals, and indirect aid to millions through grants to states. Yet, medical services seem to be deteriorating. Many doctors are hurried and harried; there are not enough doctors to go around. There are critical shortages of hospital beds, technicians, trained nurses. With the medicare law which went into effect on July 1, we are embarked on programs which will compel federal and state governments to spend more on medical care in the next five years than they have spent in the past 33 years; and medical services will degenerate correspondingly.

In any system of governmentalized medicine, a big percentage of the money taken from the people for medical purposes must be used to meet the heavy administrative costs created by bureaucratic red tape; but a primary reason for the inevitable failure of socialized medicine is in the patients themselves. When people are forced to pay for something whether they use it or not, they are inclined to use as much of it as they can. Malingerers pretend to be sick, in order to get sick pay, free hospitalization, or a rest at government expense. Hypochondriacs (who think they are sick) badger doctors and hospitals for treatment.

Governmentalized medicine has failed dismally in every other country that has tried it; and it is bound to fail in the United States.

THE DAN SMOOT REPORT is published weekly by The Dan Smoot Report, Inc., Box 9538, Dallas, Texas 75214 (office at 6441 Gaston Ave.). Subscriptions: $18.00 for 2 years; $10.00, 1 year; $6.00, 6 months; first class, $12.50 a year; airmail, $14.50. Dan Smoot was born in Missouri, reared in Texas. With BA and MA degrees from SMU (1938 and 1940), he joined the Harvard faculty (1941) as a Teaching Fellow, doing graduate work in American civilization. From 1942 to 1951, he was an FBI agent; from 1951 to 1955, a commentator on national radio and television. In 1955, he started his present independent, free-enterprise business: publishing this REPORT and abbreviating it each week for radio and TV broadcasts available for commercial sponsorship by business firms.

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Politicians who have bought votes for themselves and their parties by promising "free" medical care have perpetrated a cruel hoax. Soon, government will be taking so much from the people, through social security and income taxes (and through inflation caused by government spending) to pay for the "free" care promised by government, that only a few will have enough left to pay for medical care they need. The bulk of the people who line up for government's "free" care will find waiting lists that keep them out of hospitals for months. Physicians will spend much of their time keeping records for government and seeing patients who do not really need treatment.[1]

How It Happened

Socialist planners tried to get National Compulsory Health Insurance included in the Social Security Act of 1935. Even Franklin Roosevelt seemed to realize that this was more socialism in one package than the public was yet conditioned to accept. He gave only perfunctory support to the socialized medicine provision, which was defeated as a part of the social security system.[2]

At intervals for the next fifteen years, liberals offered compulsory health insurance proposals, which Congress consistently rejected. Congressional resistance began to crumble in 1950. In that election year, and in every election year thereafter, Congress adopted compromise admendments to the Social Security Act which extended some kind of medical care to specified groups of people covered by social security.[2]

Concurrently with this, various administrative agencies of government initiated and expanded, from year to year, their own medical care systems for specific groups of citizens.[2]

Through these means, liberals in 20 years (1936 to 1956) managed to socialize approximately 25% of the medical services in America.[2]

In 1957, U. S. Representative Aime Forand (liberal Rhode Island Democrat) introduced the Forand Bill to do what socialist planners had proposed in 1935: add medical benefits to social security.[2]

Modern Republicans — also trying to capitalize on the vote-getting "health of our people" issue — agreed with liberal Democrats that further federal expenditures were desirable, but opposed the Democrats' "Forand approach." Republicans proposed "Medicare Program for the Aged" — a Madison Avenue phrase for a complicated mess of federal aid to state governments to help pay the cost of medical care for people of certain ages, within certain income groups. This program became the Kerr-Mills Bill which, introduced by two Democrats, was supported by moderate conservatives of both parties in order to defeat the liberal Democrats' Forand Bill. The Forand Bill was rejected. The Kerr-Mills Bill was passed, and Eisenhower signed it into law on September 13, 1960.[2]

The "health of our people" became a major issue in the 1960 presidential campaign. Both Nixon and Kennedy supported socialized medicine, but neither called it by its right name. Nixon stood four-square for the "Kerr-Mills approach," while Kennedy championed the "Forand approach."[2]

In 1961, 1962, and 1963, President Kennedy tried unsuccessfully to add medicare to social security through the King-Anderson Bills (introduced by Senator Clinton Anderson and Representative Cecil King).[2] In 1964, Johnson also failed to get a King-Anderson Bill through Congress.

On January 4, 1965, King and Anderson introduced a new medicare bill for Johnson. It was rewritten in committee, incorporated in HR 6675, passed by both Houses of Congress, and signed as Public Law 89-97 on July 30, 1965. The law added medicare for the aged to social security (effective July 1, 1966); enlarged existing social security benefits and coverage; increased social security taxes, over a ten-year period, from 7.2%

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of payroll to 11.3%; and raised the taxable earnings base for social security from $4800 to $6600.

The medicare law of 1965 also amended the Kerr-Mills Act of 1960, expanding its coverage beyond anything ever before proposed in Congress. Whereas the original Kerr-Mills Bill limited federal grants to states for medical care, by specifying age and income of persons to receive the aid, Title 19 of the 1965 medicare law removes all restrictions. Title 19 is intended "to make adequate health care available to all children and adults who need it but cannot afford to pay for it themselves." State governments decide who needs medical care, what kind, how much, and for how long. There is no limit on kind or amount of medical aid the states can give, or to whom the aid can be given. The federal government will help pay for whatever medical aid programs the states adopt (provided they meet "minimum" federal standards). The federal portion will range from 50% to 83% of the total cost, depending on per capita income of the state.[3]

Nine states and the Commonwealth of Puerto Rico have already adopted medical-aid programs in order to get federal tax money under Title 19: California, Hawaii, Illinois, Minnesota, New York, North Dakota, Ohio, Oklahoma, Pennsylvania.[3]

California provides full medical services — including drugs, eyeglasses, home care, psychiatric care, dental care, treatment for alcoholism — to everyone whose family income is $3800 a year or less. Hawaii provides medical services, as well as cost of air travel if needed services are not locally available, to everyone whose family income is $3000 a year or less. Minnesota provides whatever care a physician may order to everyone whose family income is $2800 a year or less. New York provides "the entire range of hospital, physician, dental, nursing, and all other health services, drugs and appliances that may be required by the patient" to about 44% of all persons in the State. In New York, eligibility varies with family size. For example, a family of four with income of $6000 a year (after taxes) is eligible; a family of eight with income of $10,250 a year is eligible; and so on.[3]

Seventeen other states are expected to adopt medical-aid programs under Title 19 before the end of 1966: Colorado, Connecticut, Idaho, Kentucky, Maine, Maryland, Massachusetts, Michigan, Nebraska, Nevada, New Mexico, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia. The federal law says that states which have not qualified under Title 19 by January 1, 1970, will no longer receive federal money for medical care.[3]

The medicare provisions of Public Law 89-97 adopted in 1965 prescribed compulsory hospitalization insurance for all persons paying social security taxes, making them eligible for benefits at age 65. It offered voluntary insurance to cover doctors' bills and nursing expenses to all social security beneficiaries who register for it and pay $36 a year in premiums. It is estimated that medicare through social security will provide socialized medicine immediately to 19 million persons at an annual cost to taxpayers of about 6 billion dollars. In addition, enough states will probably adopt programs qualifying under Title 19 of the law for matching federal funds to provide socialized medicine for about 40 million persons of all ages not immediately eligible under social security — at a cost to taxpayers which cannot be estimated accurately, but which will surely run into many billions of dollars a year.[3]

Government's "free" medicine will cost the people twice: social security taxes will be increased to pay for medicare; income taxes will have to be increased to pay for aid to states under Title 19.

Here we see the consequences of compromising with principles. Instead of fighting all federal medical-aid proposals as unconstitutional, moderate conservatives supported the Kerr-Mills scheme of federal aid to states as a means of stopping medicare through social security. Now, we have

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both; and the aid-to-states program is even worse than medicare through social security.

Politicians who make careers by buying votes with tax money are still not satisfied. On April 8, 1966 — almost three months before the medicare law went into effect — President Johnson said he wants a "denticare" program. He also wants broad expansion of all forms of social security and welfare benefits, with benefits pegged to the cost of living. Thus, as government inflates the cost of living, welfare benefits will rise.(4) This is the system that has helped bankrupt the nation of Uruguay — where there are almost as many pensioners and civil servants as there are productive workers, and where retired persons often draw more in pensions than they ever earned in wages, because of the rapid and endless rise in living costs.

And Then: Socialized Insurance

Before medicare went into effect, even liberals were conceding that it would put an intolerable strain on the nation's medical facilities and services; but liberals do not propose a retreat from disaster: they want to plunge further into it with additional multi-billion dollar federal programs to build and subsidize hospitals, nursing homes, and medical schools. This will establish a complete system of socialized medicine in the United States.

After that, the insurance industry will be destroyed, step-by-step. If government provides health and retirement insurance for the people, why not life insurance? If life insurance, why not casualty insurance?

Remedy

To roll back the socialist revolution, we need constitutionalists in Congress — men who will dare to say:

The Constitution gives the federal government no power to provide medical care for the people. Consequently all federal laws in this field must be repealed. Furthermore, propaganda about the need for federal aid is false. Free Americans always provided more and better facilities and medical care for the whole population than any other people on earth. Government itself causes shortage of funds, by robbing the people of money and independence.

* * * * *

SUGGESTION: Send copies of this *Report* to all politicians running for public office in your state this year, with a note asking how they stand. Try to get others to do the same.

Footnotes

(1) "Cradle to Grave?", *Barron's*, June 20, 1966, pp. 1, 9-10

(2) "Medical Care Through Social Security," *The Dan Smoot Report*, March 9, 1964, pp. 73-80; copies available at 1 for 25c, 6 for $1.00

(3) "On The Way: A Program Broader Than Medicare," *U. S. News & World Report*, May 16, 1966, p. 16; "Shortages Medicare Will Face," *U. S. News & World Report*, May 30, 1966, p. 35; "Johnson Names Panel On Easing Doctor Shortage," *The New York Times*, May 8, 1966, pp. 1, 33; "New Worry For Medicare: A Little-Noticed Giveaway," *U. S. News & World Report*, June 20, 1966, pp. 54-5

(4) "President To Seek Broad Rises in '67 In Social Security," by John D. Pomfret, and "Excerpts From Johnson's Speech In San Antonio," *The New York Times*, April 9, 1966, pp. 1, 8

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